

**OPENING REMARKS OF THE HONORABLE RUBÉN HINOJOSA**  
**HOUSE FINANCIAL SERVICES COMMITTEE**  
**HEARING ON THE STATE OF THE INTERNATIONAL FINANCIAL SYSTEM**  
**IMF REFORM, AND**  
**COMPLIANCE WITH IMF AGREEMENTS**  
**MAY 13, 2003**

Chairman Oxley and Ranking Member Frank,

Thank you for calling this annual hearing to receive the testimony of Treasury Secretary John Snow on the state of the international financial system, IMF reform and compliance with IMF agreements. I look forward to his testimony and to his responses to my questions.

The Bush Administration entered office criticizing IMF loan packages for countries facing debt crises. Since then, the Administration has supported large loans for Turkey, Brazil, Uruguay, and Argentina. Former Treasury Secretary O'Neill never established a coherent policy for addressing financial crises through the IMF, and Secretary Snow has made only a few statements on the issue, emphasizing improved surveillance and transparency in crisis prevention efforts. I look forward to hearing his position on loan packages for countries facing debt crises.

I commend the Bush Administration for creating a new government entity called the Millennium Challenge Corporation (MCA), which is intended to:

- ! reward pro-growth policies;
- ! establish a true partnership in which the developing country, with full participation of its citizens, proposes its own priorities and plans; and,
- ! place a clear focus on results in which funds will only go to well designed programs that have clear objectives, measure baseline data, and set benchmarks for both intermediate outputs and final outcome goals.

However, this government entity and its goals remain somewhat vague. I would appreciate Secretary Snow providing more details on this program.

I have additional issues to address, but I will reserve those for the question and answer period.